



United States of America
Federal Trade Commission

CIVIL INVESTIGATIVE DEMAND

1. TO

Merchant e-Solutions, Inc.
3400 Bridge Pkwy., Ste 100
Redwood City, CA 94065
Attn: Craig Gass

This demand is issued pursuant to Section 20 of the Federal Trade Commission Act, 15 U.S.C. § 57b-1, in the course of an investigation to determine whether there is, has been, or may be a violation of any laws administered by the Federal Trade Commission by conduct, activities or proposed action as described in Item 3.

2. ACTION REQUIRED

☐ You are required to appear and testify.

LOCATION OF HEARING

YOUR APPEARANCE WILL BE BEFORE

DATE AND TIME OF HEARING OR DEPOSITION

☒ You are required to produce all documents described in the attached schedule that are in your possession, custody, or control, and to make them available at your address indicated above for inspection and copying or reproduction at the date and time specified below.

☒ You are required to answer the interrogatories or provide the written report described on the attached schedule. Answer each interrogatory or report separately and fully in writing. Submit your answers or report to the Records Custodian named in Item 4 on or before the date specified below.

DATE AND TIME THE DOCUMENTS MUST BE AVAILABLE

OCT 1 2010

3. SUBJECT OF INVESTIGATION

See attached resolutions.

4. RECORDS CUSTODIAN/DEPUTY RECORDS CUSTODIAN

Eric Selala / Kathryn C. Decker
Federal Trade Commission
915 2nd Ave., Suite 2896
Seattle, WA 98174

5. COMMISSION COUNSEL

Kathryn C. Decker 206-220-4488
Federal Trade Commission
915 2nd Ave., Suite 2896
Seattle, WA 98174

DATE ISSUED

COMMISSIONER'S SIGNATURE

9/9/10

J. Th. Ro

INSTRUCTIONS AND NOTICES

The delivery of this demand to you by any method prescribed by the Commission's Rules of Practice is legal service and may subject you to a penalty imposed by law for failure to comply. The production of documents or the submission of answers and report in response to this demand must be made under a sworn certificate, in the form printed on the second page of this demand, by the person to whom this demand is directed or, if not a natural person, by a person or persons having knowledge of the facts and circumstances of such production or responsible for answering each interrogatory or report question. This demand does not require approval by OMB under the Paperwork Reduction Act of 1980.

PETITION TO LIMIT OR QUASH

The Commission's Rules of Practice require that any petition to limit or quash this demand be filed within 20 days after service, or, if the return date is less than 20 days after service, prior to the return date. The original and twelve copies of the petition must be filed with the Secretary of the Federal Trade Commission, and one copy should be sent to the Commission Counsel named in Item 5.

YOUR RIGHTS TO REGULATORY ENFORCEMENT FAIRNESS

The FTC has a longstanding commitment to a fair regulatory enforcement environment. If you are a small business (under Small Business Administration standards), you have a right to contact the Small Business Administration's National Ombudsman at 1-888-REGFAIR (1-888-734-3247) or www.sba.gov/ombudsman regarding the fairness of the compliance and enforcement activities of the agency. You should understand, however, that the National Ombudsman cannot change, stop, or delay a federal agency enforcement action.

The FTC strictly forbids retaliatory acts by its employees, and you will not be penalized for expressing a concern about these activities.

TRAVEL EXPENSES

Use the enclosed travel voucher to claim compensation to which you are entitled as a witness for the Commission. The completed travel voucher and this demand should be presented to Commission Counsel for payment. If you are permanently or temporarily living somewhere other than the address on this demand and it would require excessive travel for you to appear, you must get prior approval from Commission Counsel.

**CIVIL INVESTIGATIVE DEMAND
FOR ANSWERS TO WRITTEN INTERROGATORIES
AND PRODUCTION OF DOCUMENTS**

I. DEFINITIONS

As used in this Civil Investigative Demand, the following definitions shall apply:

- A. **"And,"** as well as **"or,"** shall be construed both conjunctively and disjunctively, as necessary, in order to bring within the scope of any specification in the Schedule all information that otherwise might be construed to be outside the scope of the specification.
- B. **"Any"** shall be construed to include **"all,"** and **"all"** shall be construed to include the word **"any."**
- C. **"CID"** shall mean this Civil Investigative Demand, the attached Resolutions and the accompanying Schedule, including the Definitions, Instructions, and Specifications.
- D. **"Company," "you,"** and **"your"** shall mean Merchant e-Solutions, Inc., its wholly or partially owned subsidiaries, unincorporated divisions, joint ventures, operations under assumed names, and affiliates, and all directors, officers, employees, agents, consultants, and other persons working for or on behalf of the foregoing.
- E. **"Document"** shall mean the complete original and any non-identical copy (whether different from the original because of notations on the copy or otherwise), regardless of origin or location, of any written, typed, printed, transcribed, taped, recorded, filmed, punched, or graphic matter of every type and description, however and by whomever prepared, produced, disseminated or made, including but not limited to any advertisement, book, pamphlet, periodical, contract, correspondence, file, invoice, memorandum, note, telegram, report, record, handwritten note, working paper, routing slip, chart, graph, paper, index, map, tabulation, manual, guide, outline, script, abstract, history, calendar, diary, agenda, minute, code book, or label. **"Document"** shall also include **Electronically Stored Information**.
- F. **"Each"** shall be construed to include **"every,"** and **"every"** shall be construed to include **"each."**
- G. **"Electronically Stored Information" or "ESI"** shall mean the complete original and any non-identical copy (whether different from the original because of notations, different metadata, or otherwise), regardless of origin or location, of any electronically created or stored information including, but not limited to electronic mail, instant messaging, videoconferencing, and direct connections or other electronic correspondence (whether active or deleted), word processing files, spreadsheets, databases, and sound recordings, whether stored on cards, magnetic or electronic tapes, disks, computer files, computer or other drives, cell phones, Blackberry, PDA, or other storage media, and such

technical assistance or instructions as will transform such ESI into a reasonably usable form.

- H. **"FTC"** or **"Commission"** shall mean the Federal Trade Commission.
- I. **"Identify"** or **"the identity of"** shall be construed to require identification of (a) natural persons by name, title, present business affiliation, present business address and telephone number, or if a present business affiliation or present business address is not known, the last known business and home addresses; and (b) businesses or other organizations by name, address, identities of natural persons who are officers, directors or managers of the business or organization, and contact persons, where applicable.
- J. **"Payment Processing"** means the performance of any function of collecting, charging, or transmitting a consumer's payment for goods or services by debiting or otherwise accessing a consumer's bank account, credit card account, or telephone bill, or through the use of any payment mechanism, including, but not limited, to bank checks (demand drafts), credit card transactions, and debit card transactions.
- K. **"Referring to"** or **"relating to"** shall mean discussing, describing, reflecting, containing, analyzing, studying, reporting, commenting, evidencing, constituting, setting forth, considering, recommending, concerning, or pertaining to, in whole or in part.
- L. **"Willms"** shall mean Jesse David Willms and any individual or company affiliated with Jesse David Willms, including, but not limited to, Mark Adamson; Szymon Keidyk; Nolan Paquette; Nolan Smits; Mike Stefaniuk; Peter Graver; Adam Sechrist; Kevin Bazinet; Curt Middleton; Joshua Tomlinson; Evelyn Canonizado Domingo; Phyllis Plester; 1021018 Alberta Ltd., d/b/a Just Think Media, Credit Report America, WuLongsource, and Wuyi Source; 10106363 Alberta Ltd.; 1524948 Alberta Ltd., Terra Marketing Group; JD Media Group, Inc.; Software Wholesale Direct; JDW Media, LLC; Coastwest Holdings Ltd.; Farend Services Ltd.; Besiana Investments Ltd.; Genta Holdings Ltd.; Morgana Investments Ltd.; Rivierico Ltd.; Colesdale Ltd.; Brackenfore Ltd.; Gillmap Ltd.; JTMJ Media Ltd.; JDW Media, Inc.; JD Media Corp.; Sphere Media, LLC; Swipebids.com; Phoneagentsource.com; PChhealthsolutions.com; SAMP; Pasche or Pasche Marketing, Inc.; Dee Developments; PDS Group; Varimi LLC; Dan Sullivan; and Deepak "Dee" Agarwal.

II. INSTRUCTIONS

- A. **Confidentiality:** This CID relates to an official, nonpublic, law enforcement investigation currently being conducted by the Federal Trade Commission. You are requested not to disclose the existence of this CID until you have been notified that the investigation has been completed. Premature disclosure could impede the Commission's investigation and interfere with its enforcement of the law.
- B. **Applicable time period:** Unless otherwise directed in the specifications, the applicable time period for the request shall be from January 1, 2007, through the date of full and complete compliance with this CID.

C. **Claims of Privilege:** If any material called for by this CID is withheld based on a claim of privilege or any similar claim, the claim must be asserted no later than the return date of this CID. In addition, pursuant to 16 C.F.R. § 2.8A(a), submit, together with the claim, a schedule of the items withheld, stating individually as to each item:

1. the type, specific subject matter, and date of the item;
2. the names, addresses, positions, and organizations of all authors and recipients of the item; and
3. the specific grounds for claiming that the item is privileged.

If only some portion of any responsive material is privileged, all non-privileged portions of the material must be submitted. A petition to limit or quash this CID shall not be filed solely for the purpose of asserting a claim of privilege. 16 C.F.R. § 2.8A(b).

D. **Document Retention:** You shall retain all documentary materials used in the preparation of responses to the specifications of this CID. The Commission may require the submission of additional documents at a later time during this investigation. Accordingly, you should suspend any routine procedures for document destruction and take other measures to prevent the destruction of documents that are in any way relevant to this investigation during its pendency, irrespective of whether you believe such documents are protected from discovery by privilege or otherwise. See 15 U.S.C. § 50; see also 18 U.S.C. §§ 1505, 1519.

E. **Petitions to Limit or Quash:** Any petition to limit or quash this CID must be filed with the Secretary of the Commission no later than twenty (20) days after service of the CID, or, if the return date is less than twenty (20) days after service, prior to the return date. Such petition shall set forth all assertions of privilege or other factual and legal objections to the CID, including all appropriate arguments, affidavits, and other supporting documentation. 16 C.F.R. § 2.7(d).

F. **Modification of Specifications:** If you believe that the scope of the required search or response for any specification can be narrowed consistent with the Commission's need for documents or information, you are encouraged to discuss such possible modifications, including any modifications of definitions and instructions, with Kathryn Decker at (206) 220-4486. All such modifications must be agreed to in writing. 16 C.F.R. § 2.7(c).

G. **Certification:** A responsible corporate officer or authorized manager of the Company shall certify that the response to this CID is complete. This certification shall be made in the form set out on the back of the CID form, or by a declaration under penalty of perjury as provided by 28 U.S.C. § 1746.

H. **Scope of Search:** This CID covers documents in your possession or under your actual or constructive custody or control including, but not limited to, documents in the possession, custody, or control of your attorneys, accountants, directors, officers, and employees, whether or not such documents were received from or disseminated to any person or entity.

- I. **Document Production:** You shall produce the documentary material by making all responsive documents available for inspection and copying at your principal place of business. Alternatively, you may elect to send all responsive documents to Eric Setala, Federal Trade Commission, 915 Second Avenue, Suite 2896, Seattle, WA 98174. Because postal delivery to the Commission is subject to delay due to heightened security precautions, please use a courier service such as Federal Express or UPS. Notice of your intended method of production shall be given by mail or telephone to Eric Setala at (206) 220-4597 at least five days prior to the return date.
- J. **Document Identification:** Documents that may be responsive to more than one specification of this CID need not be submitted more than once; however, your response should indicate, for each document submitted, each specification to which the document is responsive. If any documents responsive to this CID have been previously supplied to the Commission, you may comply with this CID by identifying the document(s) previously provided and the date of submission. In addition, number by page all documents in your submission and indicate the total number of documents in your submission. Also number all media in your submission which contain ESI and indicate the contents of the media.
- K. **Production of Copies:** Unless otherwise stated, legible photocopies may be submitted in lieu of original documents, provided that the originals are retained in their state at the time of receipt of this CID. Further, copies of original documents may be submitted in lieu of originals only if they are true, correct, and complete copies of the original documents; provided, however, that submission of a copy shall constitute a waiver of any claim as to the authenticity of the copy should it be necessary to introduce such copy into evidence in any Commission proceeding or court of law; and provided further that you shall retain the original documents and produce them to Commission staff upon request.
- L. **Submission of Electronically Stored Information:** The following guidelines refer to any ESI you submit. But, before submitting any ESI, you must confirm with the FTC that the proposed formats and media types that contain such ESI will be acceptable to the government.
1. Magnetic and other electronic media types accepted
 - a. CD-R CD-ROMs formatted to ISO 9660 specifications.
 - b. DVD-ROM for Windows-compatible personal computers.
 - c. IDE and EIDE hard disk drives, formatted in Microsoft Windows-compatible, uncompressed data.
- Note: Other types of tape media used for archival, backup or other purposes such as 4mm & 8mm DAT and other cassette, mini-cartridge, cartridge, and DAT/helical scan tapes, DLT or other types of media will be accepted only with prior approval.

2. File and record formats

- a. E-mail: The FTC accepts MS Outlook PST files, MS Outlook MSG files, and Lotus Notes NSF files. Any other electronic submission of email accepted only with prior approval.
- b. Scanned Documents: Image submissions accepted with the understanding that unreadable images will be resubmitted in original, hard copy format in a timely manner. Scanned Documents must adhere to the following specifications:
 - i. All images must be multi-page, 300 DPI - Group IV TIFF files named for the beginning bates number.
 - ii. If the full text of the Document is available, that should be provided as well. The text should be provided in one file for the entire Document or email, named the same as the first TIFF file of the Document with a *.TXT extension.

Note: Single-page, 300 DPI – Group IV TIFF files may be submitted with prior approval if accompanied by an acceptable load file such as a Summation or Concordance image load file which denotes the appropriate information to allow the loading of the images into a Document management system with all Document breaks (document delimitation) preserved. OCR accompanying single-page TIFF submissions should be located in the same folder and named the same as the corresponding TIFF page it was extracted from, with a *.TXT extension.

- c. Other ESI files: The FTC accepts word processing Documents in ASCII text, WordPerfect version X3 or earlier, or Microsoft Word 2003 version or earlier. Spreadsheets should be in MS Excel 2003 (*.xls) version or earlier. Database files should be in MS Access 2003 or earlier. PowerPoint presentations may be submitted in MS PowerPoint 2003 or earlier. Other proprietary formats for PC files should not be submitted without prior approval. Files may be submitted using the compressed ZIP format to reduce size and ease portability. Adobe Acrobat PDF (*.pdf) may be submitted where the normal business practice storage method is PDF.

Note: Database files may also be submitted with prior approval as delimited ASCII text files, with field names as the first record, or as fixed-length flat files with appropriate record layout. For ASCII text files, field-level documentation should also be provided and care taken so that delimiters and quote characters do not appear in the data. The FTC may require a sample of the data to be sent for testing.

3. Security

- a. All submissions of ESI to the FTC must be free of computer viruses. In addition, any passwords protecting Documents or files must be removed or provided to the FTC.
- b. Magnetic media shall be carefully packed to avoid damage and must be clearly marked on the outside of the shipping container:
MAGNETIC MEDIA – DO NOT X-RAY
MAY BE OPENED FOR POSTAL INSPECTION

- M. **Sensitive Personally Identifiable Information:** Unless specifically requested by a specification in this CID, do not produce any Sensitive Personally Identifiable Information ("Sensitive PII") or Sensitive Health Information ("SHI") prior to discussing the information with Commission counsel. If any document responsive to a particular specification contains unresponsive Sensitive PII or SHI, redact the unresponsive Sensitive PII or SHI prior to producing the document.

For purposes of these requests, sensitive personally identifiable information includes: an individual's Social Security number alone; or an individual's name or address or phone number in combination with one or more of the following: date of birth, Social Security number, driver's license number or other state identification number, or a foreign country equivalent, passport number, financial account number, credit card number, or debit card number. Sensitive health information includes medical records and other individually identifiable health information relating to the past, present, or future physical or mental health or conditions of an individual, the provision of health care to an individual, or the past, present, or future payment for the provision of health care to an individual.

- N. **Information Identification:** Each specification and sub-specification of this CID shall be answered separately and fully in writing under oath. All information submitted shall be clearly and precisely identified as to the specification(s) or sub-specification(s) to which it is responsive.
- O. **Submission of Documents in lieu of Interrogatory Answers:** Previously existing documents that contain the information requested in any written Interrogatory may be submitted as an answer to the Interrogatory. In lieu of identifying documents as requested in any Interrogatory, you may, at your option, submit true copies of the documents responsive to the Interrogatory, provided that you clearly indicate the specific Interrogatory to which such documents are responsive.
- P. **Right to Financial Privacy Act:** The documents demanded by this CID exclude any materials for which prior customer authorization is required under the Right to Financial Privacy Act ("RFPA"), 12 U.S.C. §§ 3401, et seq.
- 1. The RFPA, 12 U.S.C. § 3401(5), defines "customer" as any person or authorized representative of that person who utilized or is utilizing any service of a financial institution, or for whom a financial institution is acting or has acted as a fiduciary, in relation to an account maintained in the person's name.

2. The RFPA, 12 U.S.C. § 3401(4), defines "person" as an individual or a partnership of five or fewer individuals.
3. The records demanded herein relate to either (a) an account or accounts with the Company in the name of a corporation or other entity that is not an individual or partnership of five or fewer individuals; or (b) an account or accounts with the Company in the name of a person, in which case this CID demands only that information which may be disclosed without notice pursuant to the RFPA, 12 U.S.C. § 3413(g).

- Q. **Right to Financial Privacy Act - Certificate of Compliance:** You should produce the responsive information and materials only after receiving a Certificate of Compliance with the Right to Financial Privacy Act, 12 U.S.C. §§ 3401 et seq., from Commission staff.
- R. **Certification of Records of Regularly Conducted Activity:** A Certification of Records of Regularly Conducted Activity is attached. While the Company is not legally obligated to complete this certification, it will aid in establishing the admissibility of the documents as evidence, if necessary, and may reduce the need to subpoena the Company to testify at future proceedings.

III. SPECIFICATIONS

"Subject Accounts" shall mean all accounts maintained by the Company in the name of any person or entity named in the definition of "Willms" above, and any other accounts to which any person listed in the definition of "Willms" above is a signatory.

1. **Personal Account Information:** For each Subject Account held in the name of a "person" for the purposes of the RFPA, 12 U.S.C. § 3401(4), provide only the following, pursuant to 12 U.S.C. § 3413(g):

- a. Account holder's name;
- b. Account holder's address(es);
- c. Account number; and
- d. Type of account.

2. **Corporate Account Information:** For each Subject Account held in the name of a corporation, limited liability company, partnership of more than five individuals, or other entity that is not a "person" for purposes of the RFPA, produce any and all documents or information in your possession or control that refer or relate to that entity, including, but not limited to:

- a. All information sought in Specification 1;

- b. Signature cards, corporate resolutions, bank account applications, and all other documents regarding signatories on the account;
- c. Copies of all monthly or periodic statements;
- d. Copies of all reports, summaries, and correspondence between the Company and Willms, including reports, summaries, and correspondence relating to the volume of payments processed, and chargeback, return, or reversal rates for each account;
- e. Copies of any payment processing agreement related to any account;
- f. Copies of any agreement between the Company and any third party involved in processing consumer payments for Willms;
- g. Copies of all checks, drafts, wire transfers, ACH transfers or other transfers from each account to any other bank account;
- h. All complaints, merchant account holder information, merchant applications, and any documents and correspondence regarding due diligence related to that entity;
- i. All documents identifying the volume of transactions, chargebacks, chargeback rates, fraud counts, fraud amounts, and credits issued through the present date for that entity;
- j. Identify each merchant descriptor used by the Company in connection with processing for Willms;
- k. Identify each product and URL associated with each merchant descriptor identified in response to Request No. 2.j;
- l. Describe each strategy employed by the Company to address or reduce chargebacks associated with payments processed by the Company for Willms;
- m. Describe in detail the underwriting process undertaken in connection with approving Willms as a client and produce copies of all materials obtained and/or produced in connection with the underwriting process;
- n. Produce copies of all correspondence, including emails, relating to Willms between the Company and any bank, VISA, MasterCard, or other entity involved in the processing of payments or chargeback reduction services;
- o. Produce copies of all correspondence between the Company and any other entity relating to Willms, including advertising or affiliate marketing networks; and

- p. Describe in detail the reason(s) that the Company stopped processing payments for Willms.

NOTE: The documents demanded by this CID exclude any information for which prior customer authorization is required under the Right to Financial Privacy Act ("RFPA"), 12 U.S.C. § 3401, et seq. Specification 1 is issued in conformance with and seeks only to obtain information permitted by Section 3413(g) of the RFPA, 12 U.S.C. § 3413(g). Specification 2 seeks documents related to accounts titled in the names of corporations and other entities that are not identified with or identifiable as being derived from the financial records of a particular "person" as the term "person" is defined in the RFPA. Documents produced should not contain any additional information. If you have any questions about these requests, please contact FTC staff attorney Kathryn Decker at 206-220-4486 before providing responsive documents.

Form of Certificate of Compliance*

I/We do certify that all of the documents and information required by the attached Civil Investigative Demand which are in the possession, custody, control, or knowledge of the person to whom the demand is directed have been submitted to a custodian named herein.

If a document responsive to this Civil Investigative Demand has not been submitted, the objections to its submission and the reasons for the objection have been stated.

If an interrogatory or a portion of the request has not been fully answered or a portion of the report has not been completed, the objections to such interrogatory or uncompleted portion and the reasons for the objections have been stated.

Signature



Title

OPERATIONS MANAGER

Sworn to before me this day

Notary Public

*In the event that more than one person is responsible for complying with this demand, the certificate shall identify the documents for which each certifying individual was responsible. In place of a sworn statement, the above certificate of compliance may be supported by an unsworn declaration as provided for by 28 U.S.C. § 1746.

CERTIFICATION OF RECORDS OF REGULARLY CONDUCTED ACTIVITY

Pursuant to 28 U.S.C. § 1746

1. I, STEPHEN R. PRINCE, have personal knowledge of the facts set forth below and am competent to testify as follows:
2. I have authority to certify the authenticity and accuracy of the records produced by Merchant e-Solutions, Inc., and attached hereto.
3. The documents produced and attached hereto by Merchant e-Solutions, Inc., are originals or true copies of records of regularly conducted activity that:
 - a) Were made at or near the time of the occurrence of the matters set forth by, or from information transmitted by, a person with knowledge of those matters;
 - b) Were kept in the course of the regularly conducted activity of Merchant e-Solutions, Inc.; and
 - c) Were made by the regularly conducted activity as a regular practice of Merchant e-Solutions, Inc.

I certify under penalty of perjury that the foregoing is true and correct.

Executed on 10/22, 2010.


Signature

Fax Sheet



To
Abigail Helms

Tel#

Fax #
917066449452

Date
Tue 09/22/2009 11:01:12:57 AM CDT

Subject
Assessment Notification: COLUMBUS BANK & TRUST COMPANY (5185)

From
customer compliance

Company
MasterCard Worldwide

Tel #

Fax #

Please be advised that MasterCard has completed its review of your compliance case(s) and has determined the applicable assessments. These assessments are outlined within the attached correspondence.

Thank you,
Customer Compliance

- Columbus Bank & Trust S Club #19595.rtf - Columbus Bank & Trust DazzleWhite8669892686
#19598.rtf - Columbus Bank & Trust ID Watchdog8009705182V #10587.rtf - Columbus Bank &
Trust MINERALSCI8663636797V #18614.rtf - Columbus Bank & Trust TrueAssurecr8772149886
#16132.rtf - Columbus Bank & Trust ID WatchDog 8009705182 #18613.rtf - Columbus Bank &
Trust Classmates Online Ince #7268.rtf - Columbus Bank & Trust Internet Career Kit CPA #19596.rtf
 - Columbus Bank & Trust EASYWHITE 18662181387 #18610.rtf - Columbus Bank & Trust
TrueAssureID8772149895 #16992.rtf - Columbus Bank & Trust 1WXwww.MyShpMyWay.com
#19597.rtf

MESLN-0002759

Carey Elizabeth Smith
Senior Business Leader
Customer Compliance

MasterCard Worldwide
Payment System Integrity
2000 Purchase Street
Purchase, NY 10577-2509

Tel 1-914-249-5685
fax: 1-914-249-4291

carey_smith@mastercard.com
www.mastercard.com



September 7, 2009

Via Fax: 7066449452

Ms. Abigail Helms
COLUMBUS BANK & TRUST COMPANY
1125 1st Ave
Columbus, GA 31901 USA

Re: EXCESSIVE CHARGEBACK PROGRAM

Dear Ms. Helms:

Please be advised that MasterCard has calculated the assessments and issuer recovery pertaining to case number 19598, regarding COLUMBUS BANK & TRUST COMPANY and the violation of the MasterCard Excessive Chargeback Program (ECP) rules with respect to its acquiring for the merchant DazzleWhite8669892686. These rules are set forth in Section 8.3 of the MasterCard Security Rules and Procedures Manual.

The assessments are listed below and segregated by the reporting period. MasterCard will debit your MCBS account ICA 5185 for the assessment on October 11, 2009.

- 07/2009 - ECM Violation, Reported by Malcolm Fence on August 26, 2009

Assessment Type	Amount	Variance	Total
Issuer Recovery	\$23,290.50	\$0.00	\$23,290.50
Violation	\$79,886.41	-\$32,086.41	\$47,800.00

If you have any questions regarding this matter or would like help in preventing future violations of this program, please contact Rafael Amaya at (914) 249 - 5594 or send an email to ECP_help@mastercard.com.

Sincerely,

A handwritten signature of Carey Elizabeth Smith in black ink.

Carey Elizabeth Smith

cc: Paul Paolucci, MasterCard Worldwide
Doug Whitehead, MasterCard Worldwide

Handwritten note: 9941-1, 94939, 1

MESLN-0002760



Merchant Activity Statement

Merchant: DAZZLEWHITE

Merchant City: -

Merchant State: -

Acquirer: COLUMBUS BANK AND TRUST COMPANY

Acquirer BIN: 433239

FEES

No Fee Data

Empty Report

Merchant Activity

Date	Program Status	MCC	Parameter	Fraud Count	Fraud Amount	Sales Count	Sales Amount	Fraud-Sales %
Sep 2009	Workout 2		241	744	\$31,909.97	3	\$177.00	18028.2

941-
40939
umach
1

Visa Confidential – Member Use Only

The information provided is CONFIDENTIAL and must be used exclusively by Visa Members for operating this program

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MESLN-0002761

10/05/2009

Abigail Helms
COLUMBUS BANK AND TRUST COMPANY

RE: Risk Identification Service - RIS Online 3rd Identification
Workout Month 2 Letter
DAZZLEWHITE

Dear Abigail Helms,

DAZZLEWHITE has continued to exceed the Risk Identification Service (RIS Online) thresholds and is now in Month 2 of a three-month workout period. As a result, COLUMBUS BANK AND TRUST COMPANY must now provide Visa with an acceptable Fraud Reduction Plan.

Please submit the Fraud Reduction Plan through RIS Online within 10 days of the date on this letter. Failure to respond may result in the imposition of a \$5,000.00 fee and forfeiture of the three-month workout period. Additionally, please provide us with a copy of your written notification to the merchant informing them of their inclusion in this program and the gravity of the situation.

Please ensure all fraud reduction initiatives are implemented rapidly as fees may be assessed to COLUMBUS BANK AND TRUST COMPANY beginning in Enforcement Period Month 1 if the merchant fails to reduce their fraud below the program thresholds.

In the Communications section of RIS Online, you can find the RIS Online Program Timeline and the Fraud Reduction Plan guidelines. If you have any questions, please feel free to contact me via e-mail at RISOnline@visa.com.

Sincerely,

US RISOnline Program Manager
Program Manager
Visa USA Enterprise Risk & Compliance

MESLN-0002762

Libby Queen

From: MIRANDA WALKER [MIRANDAWALKER@columbusbankandtrust.com]
Sent: Monday, September 14, 2009 6:03 AM
To: ABIGAIL HELMS; Credit & Risk Dept
Cc: Judy Washington
Subject: Re: September Visa Letter

There was an attachment....I will resend. Thanks

****Please note that my email address has changed to mirandawalker@synovus.com and update your records accordingly.**

Miranda Walker
Merchant Services Risk Specialist II
(706) 644-1393
Fax: (706) 644-9452

>>> ABIGAIL HELMS 9/11/2009 5:08 PM >>>
Miranda, was there supposed to be an attachment?

****Please note that my email address has changed to abigailhelms@synovus.com and update your records accordingly.**

Abigail Helms
Assistant Vice President
Merchant Services Risk Manager
Phone 706-644-0913

>>> MIRANDA WALKER 9/11/2009 4:21 PM >>>
Please see below...

IWXWWW.SMASH-COST.COM - INITIAL NOTIFICATION

LEARN2PROMOTE - MONTH 1 DUE September 21, 2009

DAZZLEWHITE - MONTH 1 DUE September 21, 2009

ADVANCED ACAI - MONTH 2 DUE September 21, 2009

EASYWHITE - MONTH 3 DUE September 21, 2009

NATL REPONET - MONTH 3 DUE September 21, 2009

ID WATCHDG - MONTH 4 DUE September 21, 2009

9/14/2009

MESLN-0002763

VISA

September 11, 2009

Ms. Abby Helms
Risk Management
Columbus Bank & Trust Co.
1125 1st Ave, 2nd Floor
Columbus, GA 31902

**RE: Merchant Chargeback Monitoring Program
Month 1 Letter
DAZZLEWHITE8669892686**

Dear Ms. Helms:

Previously, we advised you that DAZZLEWHITE8669892686 had exceeded the Merchant Chargeback Monitoring Program (MCMP) thresholds. At that time we provided you with the opportunity to review the merchant's performance and determine the cause of the excessive level of chargebacks. As the merchant has continued to exceed the MCMP thresholds, COLUMBUS BANK AND TRUST COMPANY must complete the enclosed questionnaire and return it along with the following documentation:

- Merchant Application
- Merchant Agreement

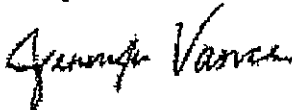
Please submit the required documentation to me within 10 days of the date on this letter. Failure to respond may result in the imposition of a \$5,000 fee plus \$1,000 each day the required information is not provided to Visa.

Additionally, you should begin preparing a chargeback reduction plan with the merchant if it appears they will continue to exceed the MCMP thresholds. For your convenience, a copy of the MCMP Timeline and a template of an acceptable chargeback reduction plan are attached.

As you may be aware, merchants with excessive levels of chargebacks create extraordinary expense to the system and harm the Visa brand. Therefore, it is important COLUMBUS BANK AND TRUST COMPANY work closely with the merchant to reduce the chargeback levels.

If you have any questions, please feel free to contact me at 650.432.4180 or via email at jvance@visa.com.

Sincerely,



Jennifer Vance
Sr. Risk Management Analyst
Enterprise Risk & Compliance

Enclosures

Visa U.S.A. Inc.
P.O. Box 8999
San Francisco, CA 94128-8999
U.S.A.

MESLN-0002764

Merchant Chargeback Monitoring Program Activity Statement

Merchant: DAZZLEWHITE8669892686	Current Status: Month 1
Acquirer: COLUMBUS BANK AND TRUST COMPANY	Questionnaire Received:

Merchant Descriptors:

BIN	Merchant Name	Merchant ID	State	Merchant ID
433239	DAZZLEWHITE1800193318	180-0153318	ID	5999
433239	DAZZLEWHITE8081201987	808-1201987	ID	5999
433239	DAZZLEWHITE8669892686	866-9892686	ID	5999

Program Review Fees:

--	--

Chargeback Handling Fees:

--	--

Merchant Activity:

Month	BIN	Merchant Name	Chargeback Count	Chargeback Amount	Chargeback Rate
Jul-2009	433239	COLUMBUS BANK AND TRUST	N	113,936	2,126
Aug-2009	433239	COLUMBUS BANK AND TRUST	1	704	2,664



August 6, 2009

Ms. Abby Helms
Risk Management
Columbus Bank & Trust Co.
1125 1st Ave, 2nd Floor
Columbus, GA 31902

RE: Merchant Chargeback Monitoring Program
Initial Notification
DAZZLEWHITE8669892686

Dear Ms. Helms:

The purpose of the Merchant Chargeback Monitoring Program (MCMP) is to reduce the impact of chargebacks on the payment system by helping our Members identify and resolve excessive levels of chargebacks. DAZZLEWHITE8669892686 has been identified as having an excessive number of chargebacks relative to sales for the prior month.

This notification provides COLUMBUS BANK AND TRUST COMPANY with an opportunity to review and determine the cause of the excessive chargebacks. While we are not requiring a response from you at this time, it is important that you research this matter and gather documentation that may be required should DAZZLEWHITE8669892686 be identified again. Failure to begin addressing this issue now may not provide you with sufficient opportunity to resolve the problems that are causing the chargebacks.

Attached, you will find a timeline for the MCMP that provides details for the program. We have also included a copy of the questionnaire and the chargeback reduction plan template. While neither of these items is required at this time, they may assist you in researching the cause of the chargebacks and in developing a resolution plan.

If you have any questions, please feel free to contact me at 650.432.4180 or via email at jvance@visa.com.

Sincerely,

Jennifer Vance
Sr. Risk Management Analyst
Enterprise Risk & Compliance

Enclosures

Visa
P.O. Box 8999
San Francisco, CA 94128-8999
U.S.A.

941 - 94939

MESLN-0002766

Merchant Chargeback Monitoring Program Activity Statement

Merchant: DAZZLEWHITE8669802686	Current Status: Initial Notification
Acquirer: COLUMBUS BANK AND TRUST COMPANY	Questionnaire Received:

Merchant Descriptors:

Merchant ID	Merchant Name	Merchant City	Merchant State	Merchant Zip
433239	DAZZLEWHITE8669802686	866-8092686	ID	5899

Program Review Fees:

Program Review Fee	0.00
--------------------	------

Chargeback Handling Fees:

Chargeback Handling Fee	0.00
-------------------------	------

Merchant Activity:

Date	Merchant ID	Merchant Name	Review Month	Initial	Chargeback Count	Chargeback Rate
Jul-2009	433239	COLUMBUS BANK AND TRUST	N	113,838	2,126	1.87

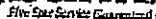
99

DATE _____

PAY TO THE
ORDER OF

VOID

DOLLARS




usbank.com

MEMO

VOID

1012430215015315229288510099

PI Exhibit 59 Page 03039

 **IRS** DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
CINCINNATI OH 45999-0023

PLATINUM EDGE MEDIA LLC
PETER W GRAVER SOLE MBR
906 W 400 S
OREM, UT 84058

Date of this notice: 02-11-2010

Employer Identification Number:
27-1885489

Form: SS-4

Number of this notice: CP 575 G

For assistance you may call us at:
1-800-829-4933

IF YOU WRITE, ATTACH THE
STUB AT THE END OF THIS NOTICE.

WE ASSIGNED YOU AN EMPLOYER IDENTIFICATION NUMBER

Thank you for applying for an Employer Identification Number (EIN). We assigned you EIN 27-1885489. This EIN will identify you, your business accounts, tax returns, and documents, even if you have no employees. Please keep this notice in your permanent records.

When filing tax documents, payments, and related correspondence, it is very important that you use your EIN and complete name and address exactly as shown above. Any variation may cause a delay in processing, result in incorrect information in your account, or even cause you to be assigned more than one EIN. If the information is not correct as shown above, please make the correction using the attached tear off stub and return it to us.

A limited liability company (LLC) may file Form 8832, *Entity Classification Election*, and elect to be classified as an association taxable as a corporation. If the LLC is eligible to be treated as a corporation that meets certain tests and it will be electing S corporation status, it must timely file Form 2553, *Election by a Small Business Corporation*. The LLC will be treated as a corporation as of the effective date of the S corporation election and does not need to file Form 8832.

To obtain tax forms and publications, including those referenced in this notice, visit our Web site at www.irs.gov. If you do not have access to the Internet, call 1-800-829-3676 (TTY/TDD 1-800-829-4059) or visit your local IRS office.

IMPORTANT REMINDERS:

- * Keep a copy of this notice in your permanent records. This notice is issued only one time and the IRS will not be able to generate a duplicate copy for you.
- * Use this EIN and your name exactly as they appear at the top of this notice on all your federal tax forms.
- * Refer to this EIN on your tax-related correspondence and documents.

If you have questions about your EIN, you can call us at the phone number or write to us at the address shown at the top of this notice. If you write, please tear off the stub at the bottom of this notice and send it along with your letter. If you do not need to write us, do not complete and return the stub. Thank you for your cooperation.

MESLN-0002800

(IRS USE ONLY) 575G

02-11-2010 PLAT O 9999999999 SS-4

Keep this part for your records.

CP 575 G (Rev. 7-2007)

Return this part with any correspondence so we may identify your account. Please correct any errors in your name or address.

CP 575 G

99999999999

Your Telephone Number Best Time to Call
{ } -

DATE OF THIS NOTICE: 02-11-2010
EMPLOYER IDENTIFICATION NUMBER: 27-1585489
FORM: SS-4 NOBOD

INTERNAL REVENUE SERVICE
CINCINNATI OH 45999-0023

PLATINUM EDGE MEDIA LLC
PETER W GRAVER SOLE MBR
906 W 400 S
OREM, UT 84058

File Number: 7594392

LLC
ARTICLES OF ORGANIZATION
OF
Platinum Edge Media, LLC

The undersigned person(s) do hereby adopt the following Articles of Organization for the purpose of forming a Utah Limited Liability Company.

Article I

The name of the limited liability company is to be Platinum Edge Media, LLC

Article II

The purpose or purposes for which the company is organized is to engage in:
Management of other assets and companies.

The Company shall further have unlimited power to to engage in or to perform any and all lawful acts pertaining to the management of any lawful business as well as to engage in and to do any lawful act concerning any and all lawful business for which a Limited Liability Company may be organized under the Utah Limited Liability Company Act and any amendments thereto.

Article III

The Company shall continuously maintain an agent in the State of Utah for service of process who is an individual residing in said state. The name and address of the initial registered agent shall be:

(Registered Agent Name & Address)
Peter W Graver
906 W 400 S
Orem, UT, 84058

ACCEPTANCE OF APPOINTMENT:

Peter W Graver
Registered Agent Signature

The Director of the Division of Corporations and Commercial Code of the Department of Commerce for the State of Utah is appointed the registered agent of the Company for the service of process if the registered agent has resigned, the registered agent's authority has been revoked, or the registered agent cannot be found or served with the exercise of reasonable diligence.

Article IV

Name, Street address & Signature of all members/managers

MESLN-0002802

Manager #1
Peter W Graver
906 W 400 S
Orem, UT 84058
Peter W Graver
Signature

DATED 11 February, 2010.

Article V

Management statement

This limited liability company will be managed by its Managers

Article VI

Address of the designated office
906 W 400 S
Orem, UT 84058

Article VII

The Company shall keep at its designated office or a statement that the company's registered office shall be its designated office, which records include, but are not limited to the following:

Article VII.1

A current list, in alphabetical order, of the names and current business street address of each Organizer who is not a member or manager.

Article VII.2

A copy of the stamped Articles of Organization and all certificates of amendment thereto.

Article VII.3

Copies of all tax returns and financial statements of the Company for the past 3 years. A Limited Liability Company is also required to maintain copies of financial statements, if any, for the three most recent years, as well as a copy of the operating agreement.

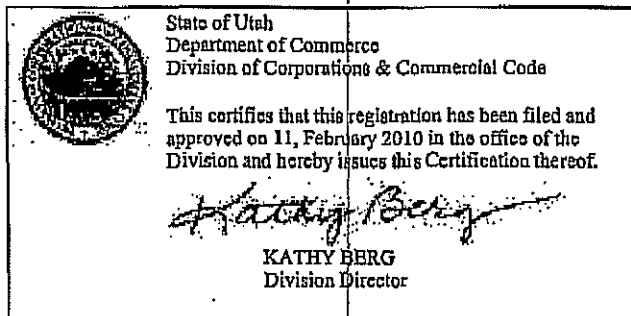
Article VIII

The street address of the principal place of business is:

906 W 400 S
Orem, UT 84058

Article IX

The duration of the company shall be 99 years



Under GRAMA (63-2-201), all registration information maintained by the Division is classified as public record. For confidentiality purposes, the business entity physical address may be provided rather than the residential or private address of any individual affiliated with the entity.

Dazzle White

941 000094939



Merchant Funds Release Request

Malcolm Ponce 3/8/2010
 Risk Analyst Date

All data required for this form is available through the MES web site - Merchant Call Tracking screen, Credit Files and Epicor AP Records

Merchant Name	DazzleWhite	841000094939
Merchant Number	PureLift	841000094937
Related Accounts	PureCleanse	841000094938
	ReserveNet	841000094938
Merchant Status	() Open (X) Closed () Other	
Date of Change		

Merchant Reserves Held

- Merchant Deposit

DazzleWhite \$82,156.78
 PureLift \$80,875.48
 PureCleanse \$73,807.87
 ReserveNet \$47,415.08

Date of Merchant Letter 4/22/2009

992,274.30 - 24,248.42 = 968,025.88
 80,850.48
 93,708.55

- Other
 - Other

☒ Total

Merchant Funds Held

- Suspended Funds
 - Other
 - Other

☐ Total

Current Merchant Liabilities

- ACH Rejects
 - Chargebacks
 - Other

☐ Total

Write-offs/Reversal of Revenue Items/Fines

VIMC Fines
 ACH Rejects Not Collected
 Write-offs to date

Any Notice of Incoming Fines () Yes (X) No
 - since account open date

☐ Total

\$1,194,248.42

Requested Release \$1,170,000.00

Due to Merchant (Owed by Merchant)

A + B - C - D = Total Available for Release

Funds Sent To Merchant

() DCE/MDE
 () Wire Transfer
 () BankServ
 () Check

Funds Remittance Approved by:

Debra Felice 3/19/10

Dawn Felice

From: Randy Warren
Sent: Monday, March 08, 2010 9:58 AM
To: Dawn Felice
Cc: Stephen Prince
Subject: JDW Media Release of Funds Request

Attachments: JDW Media.pdf

Dawn, could you please verify funds.

The relationship with JDW Media was severed in August 2009. The four accounts were brought to the MeS E-Commerce Direct portfolio by referral source Mach 1. Those accounts were:

941000094939, Dazzlewhite
941000094938, PureCleanse
941000094937, PureLift
941000094066, Reservetrol

Three of the four hit the chargeback monitoring programs, and all began rejecting chargeback and fees debits after closure. We are no longer receiving rejects and all potential association fines have been paid from the reserves.

The reserves for all accounts except DazzleWhite are in the official "Reserves"

I am requesting to have all of the "Reserves" released to the merchant, as well as \$968,156.78 of the Dazzlewhite held funds. This will leave \$24,000 in remaining held funds.

It has been over 6 months since any of these accounts ran a transaction.

3/17/2010

MESLN-0002806

Merchant Reserve Reporting Form

Date: 3/5/2010

Merchant Name: Legal Name: JDW Media
DBA's:
PureLift
PureCleanse
Reservetrol

Merchant Account Number: 941000094937
941000094938
941000094066

Merchant Category Code: 5999

Date Reserve Set: 4/22/2009 - 5/20/2009

Reserve Amount: \$202,157.94 (combined current reserves on above MID's)

Reason for reserve:

- Required on Account Setup
- Increase in Sales Volume
- Increase in Chargebacks
- Deterioration in Financial Consideration
- Other
- Required on Account Setup

Release from Reserve \$202,157.94

Reason for release:

- Offset for loss/chargeback exposure
- Return to Merchant
- Return to Merchant

Credit Signature:  Finance Signature

Prepared By: RANDY WILLIAMS Reviewed By:

Title: OPS

Title:



Libby Queen

From: Malcolm Pence
Sent: Monday, September 21, 2009 3:40 PM
To: Libby Queen
Cc: Tim Michels; Steve Wilson
Subject: Add To MATCH DazzleWhite, et al

Re: Merchant #'s

941000094939, DazzleWhite ✓

941000094938, PureCleanse ✓

941000094937, PureLift ✓

MATCH Team,

Please add all three of the above accounts to MATCH – use Reason Code 04-Excessive Chargebacks. Thanks,

-Malcolm

1) 5-20-09 5999
2) 5-20-09 5999
3) 9-3-09
5-20-09 5999
9-3-09 5999

9/22/2009

MESLN-0002831

Member Alert To Control High-risk merchants
New Merchant Added to MATCH
Reference Number: 51852009092200000
Date: 09/22/2009

Merchant Data

Acquirer Id:	5185	Date Added to MATCH:	09/22/2009
Merchant Name:	JDW MEDIA LLC	Merchant Id:	941000094939
Doing Business As:	DAZZLEWHITE8669892686	Merchant Category Code:	5999
Address Line 1:	2184 CHANNING WAY #322	Address Line 2:	
City:	IDAHO FALLS	State:	ID
Province:		Country:	USA
Postal Code:	83406	Phone Number:	8669892686
National Tax Id:		State Tax Id:	
CAT:	N		
Date Opened:	05/20/2009	Date Closed:	09/21/2009

Principal Data

—Principal 1—			
Last Name:	GRAVER	First Name:	PETER
Middle Initial:			
Address Line 1:	3147 HONEY RUN DR	Address Line 2:	
City:	YORK	State:	PA
Province:		Country:	USA
Postal Code:	17408	Phone Number:	2087570757
Driver's License Number:		Driver's License State:	
Driver's License Country:			

Reason Data

Reason Code: 04
Definition: EXCESSIVE CHARGEBACKS
Other Comments:

941000094939
JDW MEDIA LLC

Add Merchant Data

Click on the links to look up the valid values for that field.

The red asterisk (*) indicates required fields

Your current date format is mm/dd/yyyy

Bridget Viers

- General Operations ☐
- Maintenance ☐
- Administration ☐
- File Operations ☐
- Tools ☐
- Help ☐

* Acquirer Id:	5185					
* Merchant Name:	JDW Media LLC					
Doing Business As:	Dazzlewhite8669892686					
* Merchant Id:	841000094939					
* Merchant Category Code:	5999					
* Business Address Line 1:	2184 Channing Way #322					
Business Address Line 2:						
* City:	Idaho Falls					
State:	ID	Province:				
* Country:	USA					
Postal Code:	83406	(Must enter postal code if country is USA)				
* Phone Number:	8669892686					
National Tax Id:	264571350					
State Tax Id:						
* CAT?	<input type="radio"/> Yes					
	<input checked="" type="radio"/> No					
* Date Opened:	05	/	20	/	2009	
* Date Closed:	09	/	21	/	2009	

Next

Clear

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Steve Wilson

From: Stephen Prince
Sent: Friday, March 12, 2010 11:05 AM
To: Steve Wilson; Credit & Risk Dept
Subject: RE: DAZZLEWHITE8669892686.941000094939 **MES**

Please close them, no deposits since the end of January and ACH rejects on fees for past 3 months.
Thanks,
Stephen

From: Steve Wilson
Sent: Friday, March 12, 2010 9:53 AM
To: Credit & Risk Dept
Cc: Stephen Prince
Subject: DAZZLEWHITE8669892686 941000094939

The above Mach 1, E-commerce merchant is listed on the February G2 report for:

This site appears to be using deceptive marketing practices such as free trials, unidentified cross selling offers, and/or poorly confirmed continuity programs.

We should either close the merchant down or register them with BPG

www.dazzlewhitemax.com

Last comments were:

01/29/2010 09:15:39 mpence Risk/Credit Contack Mike Stef has been calling, trying to have funds released...however, bank account is no longer valid...he tried sending a void check from a company called EDirect Software in Alberta...I advised we need a letter from bank indicating new account # for business owned by the primary

3/12/2010

MESLN-0002830

941 0000 94939

Tim Michels

From: Kevin Gallagher [KGallagher@merchante-solutions.com]
Sent: Wednesday, May 20, 2009 10:52 AM
To: Tim Michels
Subject: FW: Acceptance of terms.

MESR

100K
Reserve



Kevin Gallagher
General Manager e-
Commerce
Merchant e-Solutions

kgallagher@merchante-solutions.com
678-493-8853 office
404-734-1790 cell

From: Peter Graver [mailto:pwgbroker@gmail.com]
Sent: Wednesday, May 20, 2009 1:08 PM
To: Kevin Gallagher
Cc: fsr1nation@yahoo.com
Subject: Acceptance of terms.

I agree to the terms of the reserve and contract. Please take funds from processing as we move forward.

Peter Graver

From: "Kevin Gallagher" <kgallagher@merchante-solutions.com>
Date: May 20, 2009 10:32:46 AM MDT
To: "Shane Fisher" <fsr1nation@yahoo.com>
Subject: Fw: Dazzlewhite8669892686
Reply-To: kgallagher@merchante-solutions.com

-----Original Message-----

From: application@merchante-solutions.com
To: Kevin Gallagher
Subject: Dazzlewhite8669892686
Sent: May 20, 2009 11:28 AM

Dazzlewhite8669892686

Dazzlewhite8669892686:

Dear Applicant,

Thank you for choosing Merchant e-Solutions for your credit card processing needs. We have reviewed your application and are prepared to set up your new merchant account. We have determined, however, that we will require a 20% cash reserve on the account to offset the potential risk of unpaid chargebacks

5/20/2009

MESLN-0002837

and need to know how you would like us to establish it.

Based on the \$500,000 total estimated monthly Visa/MC sales indicated in your application, a 20% reserve would be \$100,000.

Please reply to this email and let us know whether we should establish the reserve by withholding your first \$50,000 in Visa/MC transactions for the first two months of processing, or by performing an ACH debit of \$100,000 from your checking account.

Given that Visa and MasterCard allow their cardholders up to 6 months after the sale to dispute the transaction, and that the merchant account provider is secondarily liable for the merchant's chargebacks, the practice of withholding merchant account funds to establish a cash reserve is a commonly used tool in our industry to manage exposure to chargeback risk. Unlike other merchant account providers, we make every attempt up-front—in the application process—to determine if a cash reserve will be needed. We rather you know what to expect from the start, as opposed to surprising you by unexpectedly holding funds after you have started processing.

Since your business does not yet have a track record with successfully managing chargebacks and/or is selling a high-ticket item, we are looking to establish the cash reserve initially, the need for which can be reevaluated over time, generally requiring 6 months of processing to potentially reduce or remove the reserve amount.

More about cash reserves and chargeback liability can be found in our Merchant Agreement, specifically in section "18. Chargebacks":

<http://www.merchant-e-solutions.com/jsp/setup/agreement.jsp>

A Best Practiced for Internet Merchant guide can be found here:

<http://www.merchant-e-solutions.com/resources/pdf/BestPractices.pdf>

If you have any questions, please contact your sales representative or call our general sales number at 888-898-7693.

Please send a reply email and let us know how you would like us to proceed.

Best regards,
Merchant e-Solutions, Inc.
www.merchant-e-solutions.com

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5/20/2009

MESLN-0002838

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powered by MessageLabs.

5/20/2009

MESLN-0002839

Tim Michels

941 0000 94939 MES

From: Kevin Gallagher
Sent: Thursday, June 04, 2009 6:52 AM
To: Tim Michels
Subject: RE: Re: 941000094939/DazzleWhite

Reserve on
\$5 mill volume
increase

Ok, I'll let them know \$500k in June and \$500k in July.

Thanks



Kevin Gallagher
General Manager e-
Commerce
Merchant e-Solutions

kgallagher@merchante-solutions.com
678-493-8853 office
404-734-1790 cell

From: Tim Michels
Sent: Thursday, June 04, 2009 9:47 AM
To: Kevin Gallagher
Subject: RE: Re: 941000094939/DazzleWhite

We can take split it~

From: Kevin Gallagher
Sent: Wednesday, June 03, 2009 5:25 PM
To: Tim Michels
Subject: FW: Re: 941000094939/DazzleWhite

Here is the approval Tim. Is the \$1 million taken out of their batches over 2 months like what we were originally going to do with the existing account?

Thanks



Kevin Gallagher
General Manager e-
Commerce
Merchant e-Solutions

kgallagher@merchante-solutions.com
678-493-8853 office
404-734-1790 cell

From: Shane Fisher [mailto:fsr1nation@yahoo.com]
Sent: Wednesday, June 03, 2009 7:51 PM
To: Kevin Gallagher
Subject: Fw: Re: 941000094939/DazzleWhite

6/4/2009

MESLN-0002840

Shane Fisher
208-403-1419

--- On Wed, 6/3/09, pwgbroker@gmail.com <pwgbroker@gmail.com> wrote:

From: pwgbroker@gmail.com <pwgbroker@gmail.com>
Subject: Re: 941000094939/DazzleWhite
To: "Shane Fisher" <fsrlnation@yahoo.com>
Date: Wednesday, June 3, 2009, 5:43 PM

I agree to the reserve on this account.

Peter Graver
Sent from my Verizon Wireless BlackBerry

From: Shane Fisher
Date: Wed, 3 Jun 2009 16:41:10 -0700 (PDT)
To: Peter Graver <Pwgbroker@gmail.com>
Subject: Fw: 941000094939/DazzleWhite

--- On Wed, 6/3/09, Kevin Gallagher <kgallagher@merchante-solutions.com> wrote:

From: Kevin Gallagher <kgallagher@merchante-solutions.com>
Subject: Fw: 941000094939/DazzleWhite
To: "Shane Fisher" <fsrlnation@yahoo.com>
Date: Wednesday, June 3, 2009, 5:25 PM

From: "Tim Michels"
Date: Wed, 3 Jun 2009 14:50:02 -0700
To: Kevin Gallagher <KGallagher@merchante-solutions.com>
Subject: 941000094939/DazzleWhite
Kevin -

We need a copy of their agreement to a 20% reserve of \$1,000,000 to allow them to process \$5,000,000 monthly volume.

A reply to this e-mail will suffice.

Thanks,
Tim

CONFIDENTIALITY NOTICE: This message and any attachments may contain information that is privileged and confidential. If you have reason to believe that you are not the intended recipient or a person responsible for delivering this message to an intended recipient, you are hereby notified that any review, dissemination, distribution, or copying of this message is strictly prohibited. If you have reason to believe that you are not the intended recipient or a person responsible for delivering this message to an intended recipient, please contact the sender immediately by reply email and destroy all copies of the

6/4/2009

MESLN-0002841

original message.

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6/4/2009

MESLN-0002842

Risk Merchant
Processing History:
941000094937 -
PURELIFT8669892690

[Download
Report](#)

Merchant #	941000094937	\$ Sales (last 12 mo)	\$0.00	MCC	5999											
DBA Name	PURELIFT8669 892690	\$ Credits (last 12 mo)	\$0.00	Date Opened	5/20/2009											
Legal Name	JDW Media LLC	\$ Chargebac ks	\$9,774.33	# Outlets												
Month	# Sales	\$ Sales	\$ Avg Ticket	# Cash Adv	\$ Cash Adv	# Credits	\$ Credits	Credit Ratio	# C/Bs	\$ C/Bs	C/B Ratio	# Keyed	\$ Keyed	% Keyed	# C/B Reversals	\$ C/B Reversals
10/1/2010	0	<u>\$0.00</u>	\$0.00	0	\$0.00	0	<u>\$0.00</u>	0%	0	<u>\$0.00</u>	0%	0	<u>\$0.00</u>	0%	0	\$0.00
7/1/2010	0	<u>\$0.00</u>	\$0.00	0	\$0.00	0	<u>\$0.00</u>	0%	0	<u>\$0.00</u>	0%	0	<u>\$0.00</u>	0%	0	\$0.00
6/1/2010	0	<u>\$0.00</u>	\$0.00	0	\$0.00	0	<u>\$0.00</u>	0%	0	<u>\$0.00</u>	0%	0	<u>\$0.00</u>	0%	0	\$0.00
5/1/2010	0	<u>\$0.00</u>	\$0.00	0	\$0.00	0	<u>\$0.00</u>	0%	0	<u>\$0.00</u>	0%	0	<u>\$0.00</u>	0%	0	\$0.00
4/1/2010	0	<u>\$0.00</u>	\$0.00	0	\$0.00	0	<u>\$0.00</u>	0%	0	<u>\$0.00</u>	0%	0	<u>\$0.00</u>	0%	0	\$0.00
3/1/2010	0	<u>\$0.00</u>	\$0.00	0	\$0.00	0	<u>\$0.00</u>	0%	0	<u>\$0.00</u>	0%	0	<u>\$0.00</u>	0%	0	\$0.00
2/1/2010	0	<u>\$0.00</u>	\$0.00	0	\$0.00	0	<u>\$0.00</u>	0%	3	<u>\$217.58</u>	100%	0	<u>\$0.00</u>	0%	0	\$0.00
1/1/2010	0	<u>\$0.00</u>	\$0.00	0	\$0.00	0	<u>\$0.00</u>	0%	2	<u>\$72.40</u>	100%	0	<u>\$0.00</u>	0%	0	\$0.00
12/1/2009	0	<u>\$0.00</u>	\$0.00	0	\$0.00	0	<u>\$0.00</u>	0%	15	<u>\$773.51</u>	100%	0	<u>\$0.00</u>	0%	0	\$0.00
11/1/2009	0	<u>\$0.00</u>	\$0.00	0	\$0.00	0	<u>\$0.00</u>	0%	106	<u>\$5,809.95</u>	100%	0	<u>\$0.00</u>	0%	0	\$0.00
10/1/2009	0	<u>\$0.00</u>	\$0.00	0	\$0.00	0	<u>\$0.00</u>	0%	253	<u>\$13,703.23</u>	100%	0	<u>\$0.00</u>	0%	0	\$0.00
9/1/2009	0	<u>\$0.00</u>	\$0.00	0	\$0.00	25	<u>\$1,368.33</u>	100%	344	<u>\$18,326.22</u>	100%	0	<u>\$0.00</u>	0%	1	\$64.05
8/1/2009	3207	<u>\$130,479.51</u>	\$40.69	0	\$0.00	675	<u>\$36,244.55</u>	27.78%	296	<u>\$14,424.02</u>	11.06%	1981	<u>\$79,922.26</u>	61.77%	4	\$241.00
7/1/2009	9323	<u>\$304,216.14</u>	\$32.63	0	\$0.00	911	<u>\$25,840.47</u>	8.49%	124	<u>\$5,280.58</u>	1.74%	6219	<u>\$213,528.51</u>	66.71%	1	\$64.26
6/1/2009	7330	<u>\$140,101.65</u>	\$19.11	0	\$0.00	83	<u>\$1,442.95</u>	1.03%	13	<u>\$349.99</u>	0.25%	4841	<u>\$103,944.87</u>	65.04%	0	\$0.00
5/1/2009	308	<u>\$2,629.40</u>	\$8.54	0	\$0.00	7	<u>\$34.65</u>	1.32%	0	<u>\$0.00</u>	0%	446	<u>\$3,413.75</u>	144.81%	0	\$0.00
Totals	20168	<u>\$577,426.70</u>	\$28.63	0	\$0.00	1701	<u>\$64,930.95</u>	11.25%	1156	<u>\$58,957.48</u>	10.21%	13487	<u>\$400,809.39</u>	66.87%	6	\$369.31

Risk Merchant Processing History: 941000094066 - RESERVATROL

Merchant #	941000094066	\$ Sales (last 12 mo)	\$0.00	MCC	7299
DBA Name	RESERVATROL	\$ Credits (last 12 mo)	\$0.00	Date Opened	4/22/2009
Legal Name	JDW Media LLC	\$ Chargeback	\$1,262.77	# Outlets	

Month	# Sales	\$ Sales	\$ Avg Ticket	# Cash Adv	\$ Cash Adv	# Credits	\$ Credits	Credit Ratio	# C/Bs	\$ C/Bs	C/B Ratio	# Keyed	\$ Keyed	% Keyed	# C/B Reversals	\$ C/B Reversals
10/1/2010	0	<u>\$0.00</u>	\$0.00	0	\$0.00	0	<u>\$0.00</u>	0%	0	<u>\$0.00</u>	0%	0	<u>\$0.00</u>	0%	0	\$0.00
7/1/2010	0	<u>\$0.00</u>	\$0.00	0	\$0.00	0	<u>\$0.00</u>	0%	0	<u>\$0.00</u>	0%	0	<u>\$0.00</u>	0%	0	\$0.00
5/1/2010	0	<u>\$0.00</u>	\$0.00	0	\$0.00	0	<u>\$0.00</u>	0%	0	<u>\$0.00</u>	0%	0	<u>\$0.00</u>	0%	0	\$0.00
4/1/2010	0	<u>\$0.00</u>	\$0.00	0	\$0.00	0	<u>\$0.00</u>	0%	0	<u>\$0.00</u>	0%	0	<u>\$0.00</u>	0%	0	\$0.00
3/1/2010	0	<u>\$0.00</u>	\$0.00	0	\$0.00	0	<u>\$0.00</u>	0%	0	<u>\$0.00</u>	0%	0	<u>\$0.00</u>	0%	0	\$0.00
2/1/2010	0	<u>\$0.00</u>	\$0.00	0	\$0.00	0	<u>\$0.00</u>	0%	0	<u>\$0.00</u>	0%	0	<u>\$0.00</u>	0%	0	\$0.00
1/1/2010	0	<u>\$0.00</u>	\$0.00	0	\$0.00	0	<u>\$0.00</u>	0%	0	<u>\$0.00</u>	0%	0	<u>\$0.00</u>	0%	0	\$0.00
12/1/2009	0	<u>\$0.00</u>	\$0.00	0	\$0.00	0	<u>\$0.00</u>	0%	1	<u>\$58.76</u>	100%	0	<u>\$0.00</u>	0%	0	\$0.00
11/1/2009	0	<u>\$0.00</u>	\$0.00	0	\$0.00	0	<u>\$0.00</u>	0%	20	<u>\$688.97</u>	100%	0	<u>\$0.00</u>	0%	0	\$0.00
10/1/2009	0	<u>\$0.00</u>	\$0.00	0	\$0.00	0	<u>\$0.00</u>	0%	41	<u>\$1,776.88</u>	100%	0	<u>\$0.00</u>	0%	0	\$0.00
9/1/2009	0	<u>\$0.00</u>	\$0.00	0	\$0.00	2	<u>\$84.90</u>	100%	65	<u>\$2,341.10</u>	100%	0	<u>\$0.00</u>	0%	0	\$0.00
8/1/2009	1503	<u>\$35,629.48</u>	\$23.71	0	\$0.00	167	<u>\$6,173.25</u>	17.33%	49	<u>\$1,525.74</u>	4.28%	935	<u>\$23,029.76</u>	62.21%	0	\$0.00
7/1/2009	2762	<u>\$36,690.85</u>	\$13.19	0	\$0.00	135	<u>\$2,554.98</u>	6.96%	17	<u>\$881.28</u>	2.40%	1799	<u>\$23,941.77</u>	64.67%	0	\$0.00
6/1/2009	177	<u>\$8,735.80</u>	\$49.35	0	\$0.00	31	<u>\$858.84</u>	9.83%	3	<u>\$88.74</u>	1.02%	167	<u>\$8,666.40</u>	94.35%	0	\$0.00
5/1/2009	145	<u>\$1,207.30</u>	\$8.33	0	\$0.00	52	<u>\$406.65</u>	33.68%	0	<u>\$0.00</u>	0%	106	<u>\$787.35</u>	73.10%	0	\$0.00
Totals	4607	<u>\$82,263.43</u>	\$17.86	0	\$0.00	387	<u>\$10,078.62</u>	12.25%	196	<u>\$7,361.47</u>	8.95%	3007	<u>\$66,425.28</u>	65.27%	0	\$0.00

PI Exhibit 59 Page 03060

941000094938 - PURECLEANSE8669898946

Merchant # 941000094938
 DBA Name PURECLEANSE8
 669898946

\$ Sales (last 12
 mo) \$0.00
 \$ Credits (last
 12 mo) \$0.00

MCC 5999
 Date Opened 5/20/2009

Legal Name	Month	# Sales	\$ Sales	\$ Chargebacks	\$ Avg Ticket	# Cash Adv	\$ Cash Adv	# Outlets	# Credits	\$ Credits	Credit Ratio	# C/Bs	\$ C/Bs	C/B Ratio	# Keyed	\$ Keyed
JDW Media LLC	10/1/2010	0	\$0.00	\$0.00	\$0.00	0	\$0.00	0	0	\$0.00	0%	0	\$0.00	0%	0	\$0.00
	7/1/2010	0	\$0.00	\$0.00	\$0.00	0	\$0.00	0	0	\$0.00	0%	0	\$0.00	0%	0	\$0.00
	6/1/2010	0	\$0.00	\$0.00	\$0.00	0	\$0.00	0	0	\$0.00	0%	0	\$0.00	0%	0	\$0.00
	5/1/2010	0	\$0.00	\$0.00	\$0.00	0	\$0.00	0	0	\$0.00	0%	0	\$0.00	0%	0	\$0.00
	4/1/2010	0	\$0.00	\$0.00	\$0.00	0	\$0.00	0	0	\$0.00	0%	0	\$0.00	0%	0	\$0.00
	3/1/2010	0	\$0.00	\$0.00	\$0.00	0	\$0.00	0	0	\$0.00	0%	0	\$0.00	0%	0	\$0.00
	2/1/2010	0	\$0.00	\$0.00	\$0.00	0	\$0.00	0	0	\$0.00	0%	0	\$0.00	0%	0	\$0.00
	1/1/2010	0	\$0.00	\$0.00	\$0.00	0	\$0.00	0	0	\$0.00	0%	5	\$325.34	100%	0	\$0.00
	12/1/2009	0	\$0.00	\$0.00	\$0.00	0	\$0.00	0	0	\$0.00	0%	7	\$296.17	100%	0	\$0.00
	11/1/2009	0	\$0.00	\$0.00	\$0.00	0	\$0.00	0	0	\$0.00	0%	71	\$3,689.17	100%	0	\$0.00
	10/1/2009	0	\$0.00	\$0.00	\$0.00	0	\$0.00	0	0	\$0.00	0%	257	\$14,267.49	100%	0	\$0.00
	9/1/2009	0	\$0.00	\$0.00	\$0.00	0	\$0.00	102	\$5,856.39	100%	359	\$19,077.98	100%	0	\$0.00	
	8/1/2009	5635	\$175,665.89	\$31.17	\$0.00	0	\$0.00	2052	\$113,800.91	64.78%	503	\$28,212.45	16.06%	3769	\$120,013.60	
	7/1/2009	14346	\$563,798.46	\$39.30	\$0.00	0	\$0.00	2094	\$110,952.61	19.68%	482	\$27,227.95	4.83%	11437	\$477,394.30	
	6/1/2009	18526	\$959,403.19	\$51.79	\$0.00	0	\$0.00	594	\$31,558.69	3.29%	84	\$4,232.99	0.44%	16475	\$907,870.36	
	5/1/2009	1977	\$15,403.07	\$7.79	\$0.00	0	\$0.00	6	\$24.75	0.16%	0	\$0.00	0%	1884	\$14,274.54	
Totals		40484	\$1,714,270.61	\$42.34	\$0.00	0	\$0.00	4848	\$262,193.35	15.30%	1768	\$97,329.54	5.68%	33565	\$1,519,552.80	

941000094939 - DAZZLEWHITE8669892686

Merchant # 941000094939 \$ Sales (last 12 mo) \$0.00 MCC 5999
 DBA Name DAZZLEWHITE8669892686 \$ Credits (last 12 mo) \$0.00 Date Opened 5/20/2009
 Legal Name JDW Media LLC \$ Chargebacks \$52,465.13 # Outlets

Month	# Sales	\$ Sales	\$ Avg Ticket	# Cash Adv	\$ Cash Adv	# Credits	\$ Credits	Credit Ratio	# C/Bs	\$ C/Bs	C/B Ratio	# Keyed	\$ Keyed	% Keyed	# C/B Reversals	\$ C/B Reversals
10/1/2010	0	<u>\$0.00</u>	\$0.00	0	\$0.00	0	<u>\$0.00</u>	0%	0	<u>\$0.00</u>	0%	0	<u>\$0.00</u>	0%	0	\$0.00
7/1/2010	0	<u>\$0.00</u>	\$0.00	0	\$0.00	0	<u>\$0.00</u>	0%	0	<u>\$0.00</u>	0%	0	<u>\$0.00</u>	0%	0	\$0.00
6/1/2010	0	<u>\$0.00</u>	\$0.00	0	\$0.00	0	<u>\$0.00</u>	0%	0	<u>\$0.00</u>	0%	0	<u>\$0.00</u>	0%	0	\$0.00
5/1/2010	0	<u>\$0.00</u>	\$0.00	0	\$0.00	0	<u>\$0.00</u>	0%	0	<u>\$0.00</u>	0%	0	<u>\$0.00</u>	0%	0	\$0.00
4/1/2010	0	<u>\$0.00</u>	\$0.00	0	\$0.00	0	<u>\$0.00</u>	0%	1	<u>\$58.76</u>	100%	0	<u>\$0.00</u>	0%	0	\$0.00
3/1/2010	0	<u>\$0.00</u>	\$0.00	0	\$0.00	0	<u>\$0.00</u>	0%	8	<u>\$352.56</u>	100%	0	<u>\$0.00</u>	0%	0	\$0.00
2/1/2010	0	<u>\$0.00</u>	\$0.00	0	\$0.00	0	<u>\$0.00</u>	0%	4	<u>\$235.04</u>	100%	0	<u>\$0.00</u>	0%	0	\$0.00
1/1/2010	0	<u>\$0.00</u>	\$0.00	0	\$0.00	0	<u>\$0.00</u>	0%	12	<u>\$686.73</u>	100%	0	<u>\$0.00</u>	0%	0	\$0.00
12/1/2009	0	<u>\$0.00</u>	\$0.00	0	\$0.00	0	<u>\$0.00</u>	0%	58	<u>\$3,119.99</u>	100%	0	<u>\$0.00</u>	0%	0	\$0.00
11/1/2009	0	<u>\$0.00</u>	\$0.00	0	\$0.00	0	<u>\$0.00</u>	0%	554	<u>\$31,602.82</u>	100%	0	<u>\$0.00</u>	0%	0	\$0.00
10/1/2009	0	<u>\$0.00</u>	\$0.00	0	\$0.00	0	<u>\$0.00</u>	0%	1581	<u>\$85,228.76</u>	100%	0	<u>\$0.00</u>	0%	0	\$0.00
9/1/2009	0	<u>\$0.00</u>	\$0.00	0	\$0.00	1457	<u>\$84,025.24</u>	100%	2759	<u>\$148,666.42</u>	100%	0	<u>\$0.00</u>	0%	2	\$117.52
8/1/2009	2	<u>\$2.54</u>	\$1.27	0	\$0.00	17920	<u>\$1,026,623.66</u>	40418254.33%	4485	<u>\$247,388.71</u>	9739712.00%	1	<u>\$1.27</u>	50%	3	\$181.58
7/1/2009	186640	<u>\$5,814,628.09</u>	\$34.48	0	\$0.00	20436	<u>\$1,117,323.08</u>	18.22%	3289	<u>\$180,509.37</u>	3.10%	118670	<u>\$4,163,616.33</u>	69.36%	3	\$178.28
6/1/2009	113966	<u>\$2,954,451.86</u>	\$25.94	0	\$0.00	4408	<u>\$222,889.05</u>	7.54%	398	<u>\$21,095.27</u>	0.71%	85581	<u>\$2,547,397.89</u>	75.12%	0	\$0.00
5/1/2009	9491	<u>\$27,352.65</u>	\$2.88	0	\$0.00	22	<u>\$83.90</u>	0.31%	0	<u>\$0.00</u>	0%	8368	<u>\$18,213.25</u>	67.07%	0	\$0.00
Totals	292039	<u>\$8,796,435.14</u>	\$30.12	0	\$0.00	44241	<u>\$2,450,944.93</u>	27.65%	13147	<u>\$718,944.43</u>	8.17%	208898	<u>\$6,729,228.74</u>	71.53%	8	\$475.38